

PUBLIC COMMENTS RECEIVED DURING PUBLIC COMMENT PERIOD
HOUSING FOR A HEALTHY CALIFORNIA (HHC) PROGRAM DRAFT GUIDELINES
January 25, 2019

The California Department of Housing and Community Development (HCD) has prepared guidelines for the Housing for a Healthy California (HHC) Program. HCD has completed these guidelines in accordance with an act to add Part 14.2 (commencing with Section 53590) to Division 31 of the Health and Safety Code, relating to housing.

Written public comments were received during the 30-day Public Comment Period, November 8, 2018 through December 8, 2018. Public workshops were held on November 16 in Sacramento, November 19 in webinar-format, November 27 in Riverside, and November 30 in Visalia. This document represents written comments HCD received during the public comment period and HCD's responses to those comments.

Item #	Section	Public Comments	HCD Comments/Recommendations
1	Sections 101(dd) & 201(gg) – Definitions	<p>The definitions used for 'Target Population' and 'High-cost health users' need further clarification.</p> <p>a. The 'Target Population' definition states 'a person who is Chronically Homeless or is Homeless and a high-cost health user upon initial eligibility'. Is the 'high-cost health user' requirement attached only to the Homeless population, or also to the Chronically Homeless population?</p> <p style="padding-left: 40px;">i. In other words, does it mean that they either need to be a) Chronically Homeless AND a high cost health user, OR b) Homeless AND a high cost health user?</p> <p style="padding-left: 40px;">ii. Alternately does it mean that they either need to be c) Chronically Homeless (but not a high cost health user), OR d) Homeless AND a high cost health user?</p> <p>b. Additionally, the 'Target Population' definition includes a requirement that the person be 'eligible for Supplemental Security Income' (SSI). Unless an individual is already receiving SSI, there is no way for us to conclude that they are eligible or will be determined eligible. Is the intent to restrict eligibility to individuals who are already receiving SSI? If not, the wording should be modified to indicate 'potentially eligible'. In that case, what is the impact to their eligibility if they are ultimately denied SSI benefits?</p>	<p>a. The "High-cost health user" requirement is only attached to the Homeless population.</p> <p>b. The requirement that a person "is eligible for Supplemental Security Income" is directly from statute (AB 74, 2017).</p> <p>c. Likewise, the requirement that a person "is likely to improve his or her health conditions with Supportive Housing" is also directly from statute (AB 74, 2017). Terminally-ill participants are included in this definition.</p> <p>d. The definition of "High-cost health user" has been revised in the guidelines to remove "cycled between homelessness."</p> <p>For Article II, an Applicant may propose an alternative definition to High-cost health user than as defined in Section 201 of the guidelines in their County Application Plan.</p>

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		<p>c. Similarly, the ‘Target Population’ definition includes a requirement that the person ‘is likely to improve his or her health conditions with Supportive Housing’. This needs to be more clearly defined. Can we assume that everyone’s health conditions would improve with supportive housing? Is a healthcare provider’s statement required? Are terminally ill individuals excluded?</p> <p>d. The term ‘High-cost health users’ is defined as people who have ‘cycled between homelessness and had either at least three emergency department visits or one hospital inpatient stay over the last year’. It is unclear to me what is meant by ‘cycled between homelessness’ and why this phrase is part of the definition of ‘high-cost health user’. (Kim Heuvelhorst, Homeless Services Team, Yolo County Health & Human Services)</p>	
2	Sections 101(dd) & 201(gg) – Definitions	<p>LAHSA appreciates the definition of chronic homelessness and the inclusion of individuals that are exiting institutions, who are some of our state’s most vulnerable residents yet are excluded from accessing certain resources.</p> <p>LAHSA encourages the State to broaden eligibility for Housing for a Healthy California resources to participants experiencing homeless who fit the federal designation of DedicatedPLUS chronic homelessness. In addition, homelessness verification procedures should follow DedicatedPLUS guidelines, which allow for greater flexibility with verification of homelessness and remove some administrative burdens to jurisdictions, cities, and people experiencing homelessness under the strictly chronically homeless designation. In addition to populations identified as exiting criminal justice and other institutions, eligibility should include all DedicatedPLUS populations, which includes potential tenants who are:</p> <ul style="list-style-type: none"> • Experiencing chronic homelessness as defined in 24 CFR 578.3; • Residing in a transitional housing project that will be eliminated and meets the definition of chronically homeless in effect at the time in which the individual or family entered the transitional housing project; 	<p>The definition for Homeless is established pursuant to 53590(f) of the Health and Safety Code (AB 74, 2017). HCD is required to establish HHC to serve those that are “Chronically Homeless” or “Homeless” and a High-cost health-user upon initial eligibility (among other requirements).</p>

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		<ul style="list-style-type: none"> • Residing in a place not meant for human habitation, emergency shelter, or safe haven; but the individuals or families experiencing chronic homelessness as defined at 24 CFR 578.3 had been admitted and enrolled in a permanent housing project within the last year and were unable to maintain a housing placement; • Residing in transitional housing funded by a Joint transitional housing (TH) and rapid re-housing (PH-RRH) component project and who were experiencing chronic homelessness as defined at 24 CFR 578.3 prior to entering the project; • Residing and has resided in a place not meant for human habitation, a safe haven, or emergency shelter for at least 12 months in the last three years, but has not done so on four separate occasions; • Receiving assistance through a Department of Veterans Affairs (VA)-funded homeless assistance program and met one of the above criteria at initial intake to the VA's homeless assistance system.” (Alex Visotzky, Los Angeles Homeless Services Authority) 	
3	<p>Section 102(e)(2)-Minimum Requirements (Integration);</p> <p>Section 108(d)(2)-COSR;</p> <p>Section 207(c)(2)-COSR</p>	<p>LAHSA does not agree with the state’s restriction in providing assistance to a maximum of 49 percent of units in a target development. LAHSA believes that this cap should be removed. As currently written, this provision disadvantages localities that have established local sources of funding to create supportive housing developments where more than half of the units are supportive, such as Los Angeles. Both the County and the City of Los Angeles have provided supportive housing funding for developments with more than half the units as supportive. While LAHSA does support promoting integration of assisted units, this can be done through integration of a supportive housing development into the surrounding community.</p> <p>LAHSA recommends that the state add a separate section on fair housing compliance, including processes and procedures for fair housing compliance which focus on where developments are located, how they are integrated into the surrounding community, and how developments</p>	<p>The 49% funding cap only applies to projects of greater than 20 units. The guidelines have been modified to include that the 49% funding cap shall not apply to projects complying with alternative requirements for demonstrating Olmstead compliance adopted by local jurisdictions and approved by the Department.</p> <p>Fair housing compliance requirements are stated in Section 119 and Section 221 - Federal & State Overlays.</p>

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		must create sufficient tenant access to community resources. (Alex Visotzky, Los Angeles Homeless Services Authority)	
4	Section 102(e)(4) – Minimum Requirements (Integration)	LAHSA requests clarification of language around the documentation of policies that “promote participation by tenants in community activities.” Guidelines should clarify, that, consistent with Housing First principles, participation in community activities is not mandatory, and as such, policies that promote and/or incentivize participation in community activities are prohibited from requiring participation or instituting any punitive measures for residents who do not participate in community activities. (Alex Visotzky, Los Angeles Homeless Services Authority)	The language in the guidelines is consistent with 8255(b) of the Welfare & Institutions Code. There are several other sections of the guidelines (Section 112 - Supportive Services; Section 113 - Housing First; Section 114 - Tenant Selection; and Section 115 - Rental Agreements and Grievance Procedures), which reinforce Housing First requirements that participation in services/activities shall be voluntary.
5	Section 102(j) – Minimum Requirements (Amenities)	<p>We support locating projects in amenity-rich areas; however, the breadth of amenities considered and lack of specificity in this section makes it difficult for applicants to know whether or not they meet this threshold requirement. Depending on the makeup of the tenant population, the full list of amenities (public transit, public schools, public parks, and employment opportunities) might not be applicable to each proposed development. In addition, “reasonable accessibility” and “reasonable proximity” are not defined, nor is there any guidance on what would be considered reasonable travel time, hours of operation, and cost of transportation.</p> <p>Recommendations: (1) Provide a more specific framework for meeting this threshold requirement, either by tying to an existing location-based point system such as TCAC’s, or by clearly defining accessibility and proximity requirements; (2) in cases where applicants can demonstrate that amenities are not of significant benefit to a particular tenant population, allow an exemption from that particular amenity proximity requirement (e.g., senior developments do not need to demonstrate access to public schools). (Richard Mandel & Sherin Bennett, California Housing Partnership Corporation)</p>	This was written to align with VHHP minimum requirements surrounding amenities. The guidelines were modified to include the criteria used to establish reasonable accessibility and reasonable proximity are specified in Section 111(h) Location Efficiency and Access to Destinations of these Guidelines.
6	Section 102(j) – Minimum	Slide #14 states “The development must give consideration to the hours that the services and amenities are available and the frequency, travel	This was written to align with VHHP minimum requirements surrounding amenities. For HHC

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	Requirements (Amenities)	time, and cost of transportation to the tenants.” Please make clear and elaborate on the intention of this statement. How will one document this “consideration?” (Felicia Brown-Smith, San Bernardino County)	specifically, we address amenities (including what is considered reasonable) in more detail in the Section 111(h) of the guidelines. We have revised the language of the guidelines to clarify.
7	Section 102 (k) – Minimum Requirements (Stacking Unit-Based Subsidies)	<p>HCD should allow the layering of multiple state funding programs on HHC-assisted units. The proposed restriction penalizes projects that meet the policy goals of different state funding programs. For projects located in jurisdictions with scarce or limited local funding, restricting the layering of multiple state funding programs will result in financially infeasible projects.</p> <p>Recommendations: (1) Permit the layering of multiple state funding programs; (2) Do not count funding from legacy HCD programs such as RHCP-O and CHRP-R (as specifically outlined in Section 101(b)(1) of the amended Veterans Housing and Homelessness Prevention Program (VHHP) Guidelines, dated February 14, 2017. (Richard Mandel & Sherin Bennett, California Housing Partnership Corporation)</p> <p>Regarding Slide #15 and the stacking of unit-based HCD subsidies being prohibited, what is the rationale behind this new rule? This makes the financial feasibility of many projects far more difficult to achieve. This is particularly the case in the Inland Empire region, which lacks many of the additional affordable housing funding sources that can be found in more densely-populated regions such as Los Angeles. (Felicia Brown-Smith, San Bernardino County)</p> <p>We disagree with the prohibition of using more than one Department source of funding for capital or operating reserve costs on a single unit. The funding for this program is very limited, and would best be combined with other program funding, including funding the Department provides. Stacking funding for a single unit also allows developers to put together projects more nimbly, to reduce the time necessary to apply to multiple funding sources with programmatic guidelines that may not overlap. For</p>	<p>The language was revised to align with VHHP guidelines. There is now an exception where previously Department-assisted units from legacy HCD programs may be eligible for funding assistance with HHC.</p> <p>Projects may utilize multiple non-legacy HCD funding sources, provided that the funding assistance is to support site infrastructure and amenities or units other than the HHC Assisted Units.</p> <p>To clarify, COSR may be applied across all units of a project, however the capital is restricted for stacking.</p>

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		<p>this reason, we urge the Department to allow multiple sources of funding to make possible a single unit. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)</p> <p>The program requires that units be affordable to those earning at or below 30% of the area median income. These units will require deep subsidy. In rural areas, we generally do not have local subsidies. In Tuolumne County, we do not have any local sources of affordable housing financing. We are not an entitlement jurisdiction with our own allocation of HOME and CDBG funds to allocate to housing. (Sheila Shanhan, Tuolumne County)</p>	
8	Section 102 (m) – Minimum Requirements (Compliance)	<p>Slide #17 states “if an Applicant is a local government Applicant, must be compliant with both the Housing Element and their annual progress report submittals.” In what cases would a developer be a local government applicant? In those cases, how would the developer be directly compliant with the housing Element and their annual progress report submittals? (Felicia Brown-Smith, San Bernardino County)</p>	The guidelines have been revised to remove the Housing Element requirement from Article I.
9	Section 102 (n) – Minimum Requirements (Application Requirements)	<p>Slide #18 refers to “other community-based health care services.” Would case management and support services from other managed-care plans and/or the county’s MHSA program be considered “other community-based health care services?” Perhaps this requirement should be broadened to consider that case management dollars may come from a combination of the programs listed: The Whole Person Care Pilot, Health Homes Program, and other community-based health care services. (Felicia Brown-Smith, San Bernardino County)</p>	The guidelines have been revised to allow for a Managed Care Organization (MCO) to provide case management.
10	Section 102(n) – Minimum Requirements (Applications)	<p>(n)(1) This subsection is not consistent with the statutory requirements. Funding for services may come from the Whole Person Care pilot, the Health Homes Program, or any other local source of services funding. The legislation does not restrict services funding to WPC, HHP, or community-based health care services, and it is unlikely to be funded through community-based health care services.</p>	<p>The guidelines have been revised to allow for a Managed Care Organization (MCO) to provide case management.</p> <p>Language has been added to the guidelines to include trauma-informed care and harm</p>

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		<p>(n)(2) This section reads that "a memorandum of understanding or commitment letter from either the Lead Services Provider or a County department" for services from the Whole Person Care pilot or the Health Homes Program. We recommend adding managed care health plans as potential entities to provide a commitment letter.</p> <p>(n)(5) We further recommend the Guidelines include trauma-informed care and harm reduction approaches and principles as a required element in property management plans. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)</p>	reduction principles as a required element of the property management plan.
11	Section 102(n)(3) – Minimum Requirements (Applications)	LAHSA commends the State for lowering barriers for residents with pets. This will remove a critical obstacle to housing people experiencing homelessness. (Alex Visotzky, Los Angeles Homeless Services Authority)	Thank you for your feedback.
12	Section 102(n)(5) – Minimum Requirements (Applications)	LAHSA commends the state on low-barrier, housing first property management plans that seek to prevent evictions. LAHSA recommends that the state add trauma-informed care and harm reduction approaches and concomitant principles as a required element in property management plans. (Alex Visotzky, Los Angeles Homeless Services Authority)	Language has been added to the guidelines to include trauma-informed care and harm reduction principles as a required element of the property management plan.
13	Section 103(b)(2) – Uses and Terms (Maximum per-unit loan amounts)	Slide #24 states “Capital portion of the loan amount is limited to base amount per Assisted Unit, plus the amount per Assisted Unit required to reduce rents from 30 percent of the 30 percent of AMI level to the actual maximum restricted rent, with loan limits increasing based on the level of affordability provided.” Please clarify and provide an example of exactly what this means. (Felicia Brown-Smith, San Bernardino County)	<p>The HHC requirement was based on the NPLH per unit subsidy limit formula which takes into account county FMRs, the number of bedrooms per unit, and the AMI level being targeted. See page 61 in the following link for an example. http://www.hcd.ca.gov/grants-funding/docs/2018MTSPRegularLimits.pdf</p> <p>These charts will be updated annually based on CPI. Note that the base limits have been increased for one year.</p>

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14	Section 103(b)(7) – Uses and Terms	<p>The Consumer Price Index (CPI) does not adequately track cost increases in the construction industry and is thus not a proper index to utilize to adjust the base loan limits. The RS Means is a more accurate index.</p> <p>Recommendation: Adjust the base loan limits annually based on the RS Means index. (Richard Mandel & Sherin Bennett, California Housing Partnership Corporation)</p>	The Program is aligned with similar supportive housing programs administered by HCD. We realize the RS Means index is specific to construction cost data, however the CPI is used because it is a more widely accepted measure than is RS Means.
15	Section 103(c) – Uses and Terms (Property Standards)	<p>Considering the 55-year affordability period requirement referenced on Slide #26:</p> <ul style="list-style-type: none"> • The draft guidelines seem to suggest that there is some type of rental subsidy available to subsidize rents through the affordability period (such as a PBV) when, in reality, no such subsidy exists. As a result, please allow for the layering of various housing subsidies such as NPLH, MHSA, and HHC, etc. in an effort to make the project more financially feasible. <ul style="list-style-type: none"> ○ There should be a conversation with California Association of Housing Authorities about the reality of what type of/how many vouchers are available. • Where are you assuming the funding for services for these clients is coming from? There should be a conversation with the managed healthcare providers to determine funding availability and the feasibility of service provision. <p>(Felicia Brown-Smith, San Bernardino County)</p>	The Program is aligned with similar supportive housing programs administered by HCD. Therefore, layering of certain HCD housing funding sources is prohibited. Note however, that MHSA subsidies can be layered on the same Assisted Unit, and other HCD sources can be used on other units within the project.
16	Section 104(a)(1) – Loan Terms	<p>HCD proposes that loans bear an interest rate of 3%. However, large amounts of soft debt at 3% interest can create significant tax-related issues and end up costing state and local governments additional funding to ensure these developments don't end up in investors' hands. A 3% interest rate can generate large negative capital accounts for investors, which can result in tax liability burdens for nonprofit sponsors in Year 15, as well as the potential and burdensome need to create a "disaffiliated" general partner entity. Finally, the 3% interest rate can trigger long-term "True Debt" problems that cannot meet investor tax counsel requirements. Capital account issues have become exacerbated</p>	<p>The following language has been added to the guidelines:</p> <p>The Department <u>may</u> require a third-party tax professional to verify the necessity for reducing the interest rate below three percent, the cost of which shall be borne by the sponsor.</p>

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		<p>by the 2017 federal tax reform act, and can be particularly acute on supportive housing, where rental income potential is severely constrained. We appreciate and note that HCD permits NPLH Alternative Process Counties, under Section 302(e), to provide loans at 0% interest. HCD should permit the HHC program to operate under the same interest rate provision. The requirements for reducing interest rates under Health and Safety Code Section 50406.7 are not sufficient, as many HHC projects will have other debt with regularly scheduled debt service payments and/or debt in a senior lien position.</p> <p>Recommendation: 1) Permit HHC capital loans to bear an interest rate lower than 3% as necessary for financial and/or tax-related feasibility, without referencing the framework in Health and Safety Code Section 50406.7. (Richard Mandel & Sherin Bennett, California Housing Partnership Corporation)</p>	
17	Section 106– Rent Limits	<p>Regarding the rent limits referenced on Slide #30, please consider allowing for the unit to be considered as a “traditional affordable housing unit” once a tenant becomes over-income. As it stands, these draft guidelines dictate that another extremely-low income tenant would need to backfill the assisted unit. However, the program does not provide funds post Year 15 of operation. Yet, the affordability period is 55 years. Allowing the unit to be filled with a tenant that meets basic affordable housing income levels (e.g. 50% AMI) will greatly help with the long-term financial feasibility of the project. We need the capacity to underwrite for units without vouchers, specifically if your department does not anticipate having additional funds to commit once the initial 15 years of COSR is spent. (Felicia Brown-Smith, San Bernardino County)</p>	Pursuant to 24 CFR 93.302, NHTF-assisted units must follow all requirements regarding tenant-eligibility and over-income tenants.
18	Section 108 – Capitalized Operating Subsidy Reserve	<p>Having both NPLH and HHC as regular funding options over the next several years is a true benefit to sponsors of permanent supportive housing. However, if these programs have markedly different methods of COSR calculation, it will be difficult for sponsors to plan out their</p>	COSR calculation will vary from program to program dependent on the Target Population. NPLH and HHC serve a different Target Population. Also, for Article I, HCD must follow the federal NHTF regulations.

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		<p>competitive applications and easily estimate the impact of using one funding program versus the other.</p> <p>Recommendation: Align the sizing and underwriting requirements of HHC COSRs with those of NPLH. (Richard Mandel & Sherin Bennett, California Housing Partnership Corporation)</p>	
19	Section 108(g) – Operating Expenses eligible to be paid from the COSR	<p>The HHC COSR should include the same eligible operating expenses as NPLH. Section 108(g) lists only insurance, utilities, real property taxes, maintenance, and replacement reserves as eligible operating expenses to be paid from the HHC COSR. It is not reasonable to require cash flow from non-HHC units to pay for all other administrative costs, service expenses, asset management fees, partnership management fees, and deferred developer fees attributed to the HHC-Assisted Units. The non-HHC units in a development, if they are family or senior non-PSH units, are likely to be affordable to lower income households and unlikely to have other forms of operating or rental assistance. Surplus cash from non-HHC units should be available for other standard uses, which developers and subordinate lenders typically allow. Under the MHSA program, CalHFA permitted asset management fees, partnership management fees, and deferred fee attributed to MHSA units to be paid from its COSR.</p> <p>Recommendation: HCD should align eligible expenses paid from the HHC COSR with NPLH COSR. (Richard Mandel & Sherin Bennett, California Housing Partnership Corporation)</p>	<p>HCD must follow NHTF regulations 24 CFR 93.201(e)(1) regarding eligible operating expenses to be paid from the COSR.</p> <p>We have added additional language to the HHC guidelines to cite National Housing Trust Fund regulations.</p>
20	Section 109 – Award Limits	<p>HCD should not limit the COSR grant to one-third of the total HHC award amount. For developments targeting deep affordability, the COSR is an essential component for financial feasibility, and could make up half of the requested award. The COSR is already limited by per-unit caps and underwriting requirements and should not be capped further.</p> <p>Recommendation: As with NPLH, do not impose a proportional cap on the HHC COSR amount. (Richard Mandel & Sherin Bennett, California Housing Partnership Corporation)</p>	<p>Limits on operating assistance are a requirement of the National Housing Trust Fund. We have added additional language to the HHC guidelines to cite National Housing Trust Fund regulations.</p>

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21	Section 109 – Award Limits	We disagree with setting aside a percentage of these funds for housing in rural communities. While people experience homelessness in every county in California, fewer than 20% reside in rural areas of the state. This set-aside complicates disbursement of the funds and disadvantages areas of the state with greater concentrations of people experiencing homelessness. While we agree with the goal of ensuring rural communities are able to access these funds, we recommend doing so through outreach to developers in those communities, rather than a set aside. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)	The set-aside for rural counties is in alignment with HCD’s Annual Action Plan, AP-90 Program Specific Requirements, Housing Trust Fund, Part 1, C (4).
22	Section 110- Application Process	We recommend allocating additional points to quality supportive services plans. For this highly-vulnerable target population, the supportive services will make the difference between housing stability and return to homelessness. For this reason, we recommend including a threshold criterion of a score of at least 10 points in the services planning score to meet threshold requirements. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)	Per your recommendation, we have revised the guidelines to require a minimum of 10 points out of 20 points within the Supportive Services Plan criteria.
23	Section 110, Application Process & Section 111, Application Selection Criteria	It’s evident that supportive services must be integrated with housing in order to help individuals achieve housing stability. Those who are transitioning out of homelessness are often the greatest beneficiaries of this integrated approach. Through the supportive services offered by HHC, tenants will be provided with tools and care that are necessary in helping individuals become independent functioning members of society. Without these services, HHC would simply be offering housing services. For this reason, we were surprised to see that in the review of applications for the National Housing Trust Funds (NHTF) the minimum score for the Supportive Services Plan is only 5 points and that the maximum amount of points is only 20 (out of 150 points total). We believe that supportive services is a very important and crucial part of providing supportive housing for this highly needy population, and a key factor in making this program a success. For this reason, we ask that	Per your recommendation, we have revised the guidelines to require a minimum of 10 points for the supportive services plan. Additionally, the following changes were made to the point scores for supportive services plans: <ul style="list-style-type: none"> • Section 111(c) increased maximum points to 25 • Section 111(c)(1) a.1. and 2. increased to 2 points each • Section 111(c)(1) a.3. increased to 3 points • Section 111(c)(1) e. increased to 5 points

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		<p>HCD elevate the importance of the supportive services component of the application by increasing the minimum point allocation to 10 under Section 110(g)(2) while also raising the maximum point allocation under Section 111(c) to at least 30 points.</p> <p>In order to ensure supportive services are available to all HCC participants, it's crucial that these services are provided in a culturally and linguistically appropriate manner, especially since over 50 percent of the homeless population nationwide are people of color. CHCs provide healthcare services to California's most vulnerable populations, with 76 percent of CHCs patients at or below 200% of the Federal Poverty Level (FPL) and nearly 40 percent identifying a language other than English as their primary language. For this reason we understand the importance of having staff, such as community health workers and Promotoras, that can help our diverse communities obtain the care they need in a way that they understand. Thus, we recommend that the points provided under Section 111(c)(2) be increased from 1 to 5.</p> <p>To ensure that the applicant has the capabilities and experience to provide supportive services, which is backbone of the HCC program, we must consider their interactions and collaborations with community based providers and non-profits, such as CHCs. We appreciate that HCD included, as part of the Supportive Services Plan, points for the degree of coordination that the applicant has had with primary care and behavioral health providers and health care facilities. To validate the importance of collaboration between the applicant and the CBOs we would recommend increasing the current point value from 3 to 5 under Section 111(c)(e). On this same note, we also believe that it's crucial to consider the service delivery model that the applicant will be using to provide care to HHC program recipients with one or more chronic health or behavioral health conditions. Thus, we also recommend increasing the points available under Section 111(c)(1)(3) from 1 to at least 3.</p>	
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		<p>Summary of Recommendations:</p> <ul style="list-style-type: none"> • Section 110(g)(2) should increase the minimum point allocation from 5 to 10 • Section 111(c) should be worth at least 50 points in order to reflect the overall importance of supportive services in the HHC model. • Section 111(c)(2) should be worth at least 5 points to ensure culturally and linguistically appropriate care is being provided. • Section 111(c)(e) should be worth at least 5 points to ensure applicants have knowledge and experience in collaborating with primary care and behavioral health providers. • Section 111(c)(1)(3) should be worth at least 3 points <p>(Andie Martinez Patterson, California Primary Care Association)</p>	
24	Section 111 – Application Selection Criteria (Development Team Experience)	Regarding the Application Selection Criteria outlined on Slide #46, at least one entity should have tangible PSH experience with the chronically homeless. Perhaps you can consider offering bonus points for such PSH experience? (Felicia Brown-Smith, San Bernardino County)	HCD did not offer bonus points for permanent supportive housing experience since Section 102(c) of the guidelines outlines the minimum requirements for each member of the Project Team, pertaining to experience with permanent supportive housing. Section 111(a) explains the point structure tied to experience with permanent supportive housing.
25	Section 111(a)(1) – Application Selection Criteria (Developer Experience)	<p>Some of my concerns with the guidelines relates to the qualifications/experience of the developer/sponsor party/s.</p> <p>It reads: “Developer Experience (10 points maximum) Applications will be scored based on the number of affordable rental housing developments completed by the project developer over the past five years, including Supportive Housing projects developed in the last three years serving persons similar to the Target Population. Applicant should address whether these projects were completed timely and within budget. Delays and cost overruns should be explained.”</p>	HCD did not revise the guidelines because this program is aligned with similar supportive housing programs administered by HCD. Experience is calculated collectively, among members of the Project Team. A consulting company may contribute experience to an application, given their status as a member of the Project Team is properly documented through a memorandum of understanding or commitment letter.

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		<p>Propose changes: I would like to see if some language could be inserted in where a consulting company with years of experience in housing development could be used as a substitute for the developer experience. It would make perfectly sense to have a substitute because not all non-profits with years of experience in their respective field will have recent development experience.</p> <p>Hope these suggestions are added to the final guidelines. (Al Villa, Veteran Housing Program, Volunteers of America, Los Angeles)</p>	
26	Section 111(a)(1) – Application Selection Criteria (Developer Experience)	<p>In order to receive full points on the experience sections, the counties and/or developers need to have a significant amount of prior experience. This seems to automatically disadvantage small, rural counties and developers in those areas who have not had the same opportunities to gain this experience as those in the larger cities. Is this the intent? If not, I would suggest using a different scale depending on the county size or rural designation etc. Similarly, it disadvantages new participants (counties or developers) who don't have prior experience. (Kim Heuvelhorst, Homeless Services Team, Yolo County Health & Human Services)</p> <p>In order to obtain maximum points for developer experience, project developers must have completed a minimum of five affordable housing developments in the past five years. While it is in the State's interest to provide additional points for experienced developers, it is not clear that a developer that has completed five developments in the past five years in any more capable than one that has completed two or three in the past five years. The current point allocation favors large developers in larger urban areas over well qualified developers who may not have the same volume. I recommend you revise this point category to provide three points for each development completed in the past five years. You should also clarify that developer experience includes the experience of affiliated entities and principals in the same way proposed for Applicant</p>	<p>Since this is a pilot program, the intent is not to favor large developers, but experienced developers. HCD is open to revisiting this issue if more funds become available.</p> <p>Experience is calculated collectively, among members of the Project Team, given the status of each member of the Project Team is properly documented through a memorandum of understanding or commitment letter. Developer experience may include the experience of affiliated entities and principals; however, it must be quantified by the number of projects completed.</p> <p>Article I of the guidelines has a rural set-aside of 20%.</p>

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	<p>Ownership and Operations Experience. (Stephen Pelz, Housing Authority of the County of Kern)</p> <p>To obtain maximum points for developer experience, project developers must have completed a minimum of five affordable housing developments in the past five years. There does not appear to be a statutory reference for this requirement. Counties believe that the developer experience requirements are too restrictive and it may not be necessary to mention any specific amount of units, but to instead simply look at the developer portfolio to ensure that they have the requisite experience for the project (Jolena L. Voorhis, Urban Counties of California; Tracy Rhine, Rural County Representatives of California; Farrah McDaid-Ting, California State Association of Counties; Tom Renfree, County Behavioral Health Directors Association of California)</p> <p>Article I and Article II – In the draft guidelines, affordable housing developers and property management companies must have either affordable housing or supportive housing development experience and points are awarded based on experience. Permanent supportive housing experience receives the highest score. In rural areas, we have difficulty attracting affordable housing developers (who generally have their own property management company or an established relationship with a management company). Affordable housing developers in our region and their property management companies may not have the required experience in providing permanent supportive housing that would allow them to be competitive in applying for funds. We recommend that HCD establish a rural set-aside so that rural areas are not compared to areas with access to a wide variety of developers with permanent supportive housing experience. This will help ensure that rural areas are not unduly disadvantaged in the competitive funding process. (Sheila Shanahan, Tuolumne County)</p>	
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27	Section 111(b)(6) – Application Selection Criteria (Lead Service Provider Experience)	On Slide #47, under “Documentation,” please define “outcome measures” more specifically so all are clear on what “documented success” means. (Felicia Brown-Smith, San Bernardino County)	Aligning with the VHHP Program, outcome measures will be required in the application by providing documentation by contract of projects and housing stability measurements.
28	Section 111(a)(4) – Application Selection Criteria (Lead Service Provider Experience)	<p>The point methodology favors large service providers more likely found in larger urban areas with no evidence they will provide services any better than experienced providers with less projects. Communities the size of Bakersfield don’t even have seven to ten permanent supportive housing projects, so it is impossible for a local service provider to obtain maximum points. The number of projects and length of experience needed to qualify for maximum points needs to be reduced otherwise LA, SF and San Diego will get all of the awards. (Stephen Pelz, Housing Authority of the County of Kern)</p> <p>Additionally, the guidelines require the Lead Service Provider to have at least three years of experience in serving the target population. Again, this is unduly restrictive and very problematic for the northern part of the state where there may be only one service provider and one developer that can meet these requirements for the entire region. This may make it extremely difficult for developers in smaller counties to obtain funding. We suggest that the developer and service provider requirements be tied to the size of the project, allowing smaller projects to move forward without demonstrated experience. (Jolena L. Voorhis, Urban Counties of California; Tracy Rhine, Rural County Representatives of California; Farrah McDaid-Ting, California State Association of Counties; Tom Renfree, County Behavioral Health Directors Association of California)</p>	<p>The LSP experience section has been revised to be less stringent. It now provides the same amount of possible points, but for slightly less LSP experience.</p> <p>Since this is a pilot program, HCD is open to revisiting developer and service provider requirements for small counties if more funds become available.</p>
29	Section 111(b)-	LAHSA recommends adjustments to the point values and weighting of different categories in the scoring of applications. LAHSA recommends	The supportive housing scoring criteria will remain as-is to align with existing programs.

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	Application Selection Criteria (Supportive Housing)	<p>adding points to the “percentage of assisted units” category and increasing the overall points available in this category from 25 points to 30 points. Within the percentage of assisted units point system, projects with over 40% of their units as assisted should receive an extra five points, for a total of 30 points. This is to reflect the continued overwhelming need for supportive housing units throughout the State of California and provide incentives to create a maximum number of supportive housing units within developments funded by Housing for a Healthy California.</p> <p>In addition, within the supportive services plan scoring, points should be given to supportive services models that employ harm reduction principles in their plan. Harm reduction is a necessary component in addition to and alongside other housing first, low barrier, and trauma-informed care principles, and is critical in providing stable and supportive environments for populations that have histories of addiction or non-compliance with medications. While some components of harm reduction overlap with trauma-informed, housing first, and low barrier principles, harm reduction is in other elements a distinct and necessary complement.</p> <p>Finally, LAHSA recommends increasing the points available for applications that demonstrate a confirmation of local need. California is home to 134,000 people experiencing homelessness, including 42% of the nation’s chronically homeless population. Need for services and supportive housing continues to exceed available resources—as such, projects that prioritize populations with the highest needs in their respective jurisdictions should be strongly incentivized. (Alex Visotzky, Los Angeles Homeless Services Authority)</p>	<p>Language has been added to the guidelines to include trauma-informed care and harm reduction principles as a required element of the property management plan.</p> <p>Due to the supportive services housing needs throughout the state, HCD did not change the overall points for local need.</p>
30	Section 111(c)- Application Selection Criteria	<p>On Slide #49, under social interaction - how does one achieve the objective or demonstrate “ensure safety of all residents?”</p> <ul style="list-style-type: none"> Under adequacy, what does or what is meant by third line starting with “The extent to which the major services...?” 	<p>These could be demonstrated by providing budgeted amounts adequate to providing services, committed funds from letters from committing agency providing services/funding.</p>

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	(Supportive Services Plan)	<ul style="list-style-type: none"> The next item, for 1 point, this favors large cities who have access to foundation funds. The next item: please define evidence of “commitment.” (Felicia Brown-Smith, San Bernardino County)	
31	Section 111(c)- Application Selection Criteria (Supportive Services Plan)	We commend HCD for the list of services receiving points in the competitive application process. We recommend awarding significant points in paragraph (3) for budgets indicating a case manager to tenant ratio of 1:20 or below. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)	Thank you for your feedback. We have revised the guidelines to require a staff ratio of 1:20 in the Supportive Services plan, which aligns with VHHP. This point allocation will remain as-is to align with existing programs.
32	Section 111(d) – Application Selection Criteria (Utilization of Funds to Offset Requests)	On Slide #51, Utilization of Funds: <ul style="list-style-type: none"> Please clarify the meaning behind description of point award for both items. (Felicia Brown-Smith, San Bernardino County)	<p>This criteria scores an application based on the ratio of permanent affordable development funding attributable to Assisted Units from sources other than NHTF. Depending on the type of funding used (whether it’s 9% competitive credits or not), there are two different calculations.</p> <p>For example, if an Applicant is using 4% tax credits to help fund the Assisted Units within their project, they will receive .75 points for every 5-percent increment above 50 percent of NHTF funds.</p>
33	Section 111(d) – Application Selection Criteria (Utilization of Funds to Offset Requests)	<p>While every program wants leveraging, requiring 150% leverage for maximum points encourages applicants to submit more expensive and complex projects that involve 4 or more funding sources.</p> <p>Recommendations: Reducing the leveraging goal to 100% will allow projects with less funding sources (and cost) to successfully compete for funding. (Stephen Pelz, Housing Authority of the County of Kern)</p>	HCD did not revise the guidelines because this program is aligned with similar supportive housing programs administered by HCD.

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		We strongly recommend eliminating this paragraph. Given the complexity and difficulty of funding supportive housing, as well as the prolonged time developing supportive housing entails, requirements that further complicate funding allocations should be eliminated. This section serves little public policy purpose and will certainly delay development of supportive housing, adding to overall project costs. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)	
34	Section 111(e) – Application Selection Criteria (Leverage of Rental or Operating Subsidies)	On Slide # 52, Leveraging of Rental or Operating Subsidy: This seems unfair. All housing authorities have incurred cuts from HUD. To transition folks from tenant-based to project-based vouchers may require terminating families from tenant-based vouchers. This whole program assumes that vouchers are readily available and they are not. And the program is expecting 55-year PSH units though it is only providing 15 years of COSR. And if you have PBVs available, max HUD commitment is 30 years; two 15 year terms. These voucher bonus points will favor housing authorities who receive a large allotment of Housing Choice monies and have the capacity via attrition to convert tenant to project-based vouchers. (Felicia Brown-Smith, San Bernardino County)	Recent state funding available through the California Emergency Solutions and Housing Program, http://www.hcd.ca.gov/grants-funding/active-funding/cesh.shtml , can be used for rental assistance, operating subsidies, and flexible housing subsidy pools. Additionally, funds available through the Homeless Emergency Aid Program, https://www.besh.ca.gov/hcfc/aid_program.html , can be used for rental assistance or subsidies including housing vouchers. Rental assistance and capitalized reserves are also eligible uses for a portion of SB 2 permanent funds that will be made available to local governments starting in the Fall of 2019.
35	Section 111(f) – Application Selection Criteria (Readiness to Proceed)	The 20-point minimum score in this category is too onerous and will likely significantly disadvantage smaller and more rural jurisdictions that do not provide or commit their own gap financing prior to state sources. TCAC-level readiness should not be required at the stage at which developers are trying to determine if Housing for a Healthy California is a feasible and appropriate source of funds. Using the Readiness to Proceed scoring category as the first tiebreaker will go a long way toward achieving HCD's goal of having awardees that are ready to move ahead promptly.	Per your recommendation, the minimum point score for the Readiness to Proceed section has been reduced to 15 points. Also, please note that Article I of the guidelines has a rural set-aside of 20%.

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		Recommendation: Eliminate the minimum Readiness to Proceed score, or, alternatively, reduce to no more than 15 points. (Richard Mandel & Sherin Bennett, California Housing Partnership Corporation)	
36	Section 111(f) – Application Selection Criteria (Readiness to Proceed)	<p>On Slide #53 Readiness to Proceed: There appears to be a lot of redundancy in categories.</p> <ul style="list-style-type: none"> • There is a conflict between the requirements of this funding source and LIHTC. LIHTC expects a commitment of funds from other resources to be eligible to apply. • Public Land Use Approval and Local Design Approval are redundant and can also overlap with CEQA approvals. <p>(Felicia Brown-Smith, San Bernardino County)</p>	Thank you for your feedback. However, HCD did not revise the guidelines because this program is aligned with similar supportive housing programs administered by HCD.
637	Section 111(f)(2) – Application Selection Criteria (Readiness to Proceed)	<p>Projects built with HHC funding would typically not require completion of a CEQA review under Assembly Bill 2162 (Chiu/Daly). For this reason, this paragraph is confusing. While NHTF may require environmental assessment, CEQA is a state law that would only be required under HHC if the project is in a small city or unincorporated area of a county and proposes building more than 50 units, or if the project does not meet the definition of supportive housing because it is not 100% affordable or at least 25% supportive. We recommend clarifying, “Completion of a California Environmental Quality Act review, if necessary and not entitled to streamlined review under Assembly Bill 2162. . . .” (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)</p>	Per your recommendation, we have revised the language in the guidelines.
38	Section 111(g) – Application Selection Criteria (Confirmation of Local Need)	<p>We recommend eliminating the demonstration of local need under this Article. Assembly Bill 74 was only intended to require demonstration of need for Article II grants to counties. The State has data indicating every Continuum of Care can demonstrate need. The requirement, then, only serves to add work to a developer applicant. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)</p>	The requirement for local need has been revised to the latest Point in Time count for more than 400 homeless individuals rather than a Continuum of Care letter.

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39	Section 111(h) – Application Selection Criteria (Location Efficiency and Access to Destinations)	<p>Article I and Article II – In the draft guidelines, points are awarded based on proximity to transportation and on having service at least 30 minutes during peak commuter hours. Rural areas such as ours do not have any transportation routes with service available every 30 minutes. Most of our routes have service a few times a day. Our most frequent service (one line only) is every hour and ten minutes.</p> <p>We recommend that points/requirements related to bus frequency in rural areas be re-evaluated. (Sheila Shanahan, Tuolumne County)</p>	<p>This section of the guidelines will remain as-is to align with existing programs. However please note, the guidelines state “service at least every 30 minutes (<u>or at least two departures during each peak period</u> for a commuter rail station or ferry terminal) during the hours of 7 a.m. – 9 a.m. and 4 p.m. – 6 p.m., Monday through Friday.”</p>
40	Section 112– Supportive Services	<p>Health centers have a long history of providing integrated and comprehensive care to individuals with complex social and health conditions. Representing Homeless Health Centers, Migrant Health Centers, Public Housing Health Centers, and Community health centers as well as nonprofit rural health clinics and free clinics, CPCA members serve the role as California’s true safety-net. Thus, all patients seeking care will be seen regardless of their ability to pay, and many clinics offer to help patients apply for public benefit programs, like Medi-Cal. Due to the social and economic barriers that are experienced by CHC patients, CHCs have worked for years to integrate behavioral health services, substance use disorder services, dental services, as well as a variety of enabling services into their health centers. In fact, 80% of CPCA’s member health centers have successfully integrated primary and mental health care services in culturally and linguistically appropriate manners in order to treat co-occurring physical and mental health conditions, and 82% of FQHCs offer dental services as well. The residents of HHC-funded housing are best served through the comprehensive, whole-person system of care that is available at FQHCs.</p> <p>CPCA and our member CHCs support HCD’s inclusion of a variety of supportive services as a critical element of the application. It’s critical to recognize that the HHC program is seeking to reduce the financial burden on local and state resources due to the overutilization of emergency departments by individuals who are chronically homeless or homeless</p>	<p>Per your recommendation, language has been added to the guidelines to require the linkage to primary care services.</p> <p>The guidelines have also been updated to require services for persons with co-occurring mental and physical disabilities or co-occurring mental and substance use disorders.</p>

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		<p>and a high-cost health user. The best way to accomplish this is to ensure residents of the supportive housing funded by HHC will have access to primary health care services as a part of addressing the health needs of the whole person. An application that includes strong supportive services that ensures primary care services are received along with addressing mental and situational health needs of beneficiaries should be selected for funding— for an application that addresses only parts of a whole person’s care will create barriers and fragmented care.</p> <p>Primary care providers, like CHCs, are responsible for screening all major health-related conditions as part of the preventative care services they offer. For those who already have a chronic condition, CHCs and primary care providers help manage it and improve the quality of life of their patients. By ensuring that residents of the HHC program have access to primary care services, HCD will be helping to decrease the utilization of emergency services and the related costs. For this reason we ask that Section 112(c)(5) and Section 214(c)(6) require that tenants in supportive housing funded by HHC receive support in linking to primary care services in addition to other medical and dental care services.</p> <p>Many individuals with co-occurring physical and mental health conditions, especially for those with a serious mental illness, have been forced to acquire their care through a fragmented system, making it unnecessarily difficult for patients/clients to move between different providers and different delivery systems to receive their full continuum of care. Given our bifurcated system of care, it’s crucial that residents with a co-occurring condition who are part of the HHC program receive support in seeking the services that they need. To ensure this occurs we recommend that applicants be required to offer co-occurring services related to physical, mental health, or substance use disorder. To accomplish this we recommend that subsection (c)(1) under the ‘not required’ portion of the guidance be moved to the required section. Tenants, especially those with co-occurring conditions, that are offered a</p>	
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		<p>coordinated, accessible, and easy to navigate system of care will be more likely to utilize the supportive services offered and therefore have a higher possibility of recovering. It's not enough that a resident of this housing be given a referral, or support accessing, an offsite provider. Rather, we hope that the county, the property managers, and providers along the full spectrum of care work together on a streamlined and seamless continuum of care for the client/resident.</p> <p>Summary of Recommendations:</p> <ul style="list-style-type: none"> • Section 112(c)(5) and Section 214(c)(6) should be strengthened to clearly and unambiguously require that HHC housing provide linkage to primary care services. • Subsection (c)(1) under the 'not required' portion of the guidance should be moved to the required section for all HHC applicants <p>(Andie Martinez Patterson, California Primary Care Association)</p>	
41	Section 112(b); Section 214(a) – Supportive Services	<p>In addition to stating that supportive services are voluntary and that access to them cannot be conditioned on sobriety, the State should require that supportive services follow a Housing First model, be low-barrier, and trauma-informed. Moreover, guidelines for supportive services should specify and require supportive services providers to utilize and document motivational interviewing, behavioral change, and other harm reduction interventions that assist participants to obtain the services needed to maintain their housing and improve health outcomes. (Alex Visotzky, Los Angeles Homeless Services Authority)</p>	Language has been added to the guidelines to include trauma-informed care and harm reduction principles as a required element of the property management plan.
42	Section 112(c)(4) – Supportive Services	<p>(c) We find the following language to be confusing: “Except as otherwise noted below, the following services can be provided to tenants.” We recommend changing the language to indicate the services must be provided to tenants based on tenant need, consistent with earlier subsections.</p> <p>(4) We also recommend changing (c)(4) to say, “provision of or linkage to behavioral health care.” Many experienced service providers do not have staff qualified to provide behavioral health care, and are instead able</p>	Per your recommendation, we have revised Section 112(c) to provide more clarity and align with Article II.

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		to meet their clients’ need for behavioral health treatment through linkage to treatment providers. Unlike No Place Like Home, HHC is not expected to provide treatment services. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)	Per your recommendation, we have revised Section 112(c)(4) of the guidelines to state “Support in linking to behavioral health care...”
43	Section 113; Section 215– Housing First	(b) and (c)(1) & (2) We recommend taking out the words “seldom” for rejections on the basis of poor credit, and “minor” with regard to criminal convictions. Instead, the language of this paragraph should read that applicants are never rejected for poor credit or criminal convictions. The Housing First legislation does not include the modifying adjectives for poor credit or convictions and, without definition, “seldom” and “minor” are meaningless. Moreover, they contradict the intent of Senate Bill 1380 (Mitchell), as they can block housing options for people with criminal convictions or poor credit unnecessarily. No data demonstrates a link between ability to be a good tenant and past criminal convictions, and many among the target population have a history of criminal convictions, both minor and serious, and all have poor credit. We also recommend adding in, “or behaviors that indicate lack of ‘housing readiness,’” per Section 8255(b)(2) of the Welfare & Institutions Code. These changes are consistent with tenant selection processes in these draft guidelines as well, which are more sweeping. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)	Per your recommendation, Section 113 and 215 of the guidelines have been revised to clearly align with Section 8255(b) of the Welfare & Institutions Code.
44	Section 215– Housing First	In addition to screening and providing services in alignment with Housing First practices, developments should have lease violation and eviction policies that are in alignment with Housing First, low-barrier, trauma-informed, and harm reduction principles. (Alex Visotzky, Los Angeles Homeless Services Authority)	Language has been added to the guidelines to include trauma-informed care and harm reduction principles as a required element of the property management plan.
45	Section 113(b)(2); Section 215(c)(2) – Housing First	At present, guidelines state that applicants are “seldom” rejected on the basis of poor credit or other factors. LAHSA believes this wording is ambiguous and leaves open the possibility that applicants will be rejected on the basis of credit. This is inconsistent with the core components of Housing First—applicants cannot be rejected on the basis of poor credit	Per your recommendation, Section 113 and 215 of the guidelines have been revised to clearly align with Section 8255(b) of the Welfare & Institutions Code.

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		<p>or lack of rental history. LAHSA recommends changing the language to “applicants are not rejected on the basis of poor credit or financial history, poor or lack of rental history, or minor criminal convictions.”</p> <p>In addition, guidelines should clarify that projects should employ low-barrier and trauma-informed practice in addition to the Housing First approach. (Alex Visotzky, Los Angeles Homeless Services Authority)</p>	<p>Language has been added to the guidelines to include trauma-informed care and harm reduction principles as a required element of the property management plan.</p>
46	Section 115; Section 217– Rental Agreements & Grievance Procedures	<p>We recommend adding provisions that tenant leases include Housing First principles, such as harm reduction and voluntary services principles. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)</p>	<p>Sections 113 and 215 of the guidelines address Housing First requirements.</p>
47	Section 114; Section 216– Tenant Selection	<p>We commend HCD for emphasizing Housing First requirements in the HHC Guidelines and ensuring participation in support services is voluntary for tenants. These are important steps in ensuring that people with the greatest need are able to access HHC units.</p> <p>We recommend incorporating additional provisions into Sections 114 and 216 to affirm the priorities for accessible units outlined in 24 CFR Part 8. More specifically, Sections 114 and 216 should track the language of 24 CFR § 8.27 to maximize the utilization of accessible units by tenants who need those features. This includes marketing and outreach practices that ensure information about available accessible units reaches people with disabilities. It also includes a priority policy that makes a vacant accessible unit available first to existing tenants with disabilities, before moving to such applicants on the waiting list. We also recommend incorporating language from 24 CFR § 8.27(b). Then, in the event that an accessible unit goes to a tenant who does not require the features that tenant, as part of the rental agreement, would agree to move to a non-accessible unit when available.</p>	<p>We have added additional language to the guidelines to reaffirm compliance with all applicable state and federal laws and regulations.</p>

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		<p>We support the Coordinated Entry System (CES) to the extent that it prioritizes people most in need, but we urge HCD to address CES barriers for people with disabilities. The Guidelines promote use of CES or similar systems throughout. First, we recommend amending the Guidelines to acknowledge and address the barriers created by the CES's call for detailed personal information. Generally applicants are expected to answer extensive questions about their personal history, including physical and mental health, and other extremely intimate details of their lives. Moreover, the applicant must consent for their responses to be shared within the system. Particularly at a time in which personal data breaches are common, DRC has concerns about asking people with disabilities to disclose such personal medical and disability information in order to apply for housing. Furthermore, people with certain psychiatric disabilities or who have experienced past violations of trust by relatives or authority figures may simply not be willing or able, due to the disability or the past experience, to share such information. We urge HCD and the Committee to require HHC applicants using a CES or similar selection criteria to have a clear reasonable accommodation process to address the particular needs of people with disabilities. Second, it is critical that a CES ensure that physically accessible dwelling units are occupied by people who need the accessibility features due to a disability. HCD should require HHC applicants using a CES or similar system to incorporate such prioritization for accessible units within the system. We recommend HHC track the model policies and practices outlined by the Disability Rights Education and Defense Fund to support people with disabilities in the CES process. Available at https://dredf.org/wp-content/uploads/2018/05/DREDF-Guide-Legal-Obligations-Model-Policies-and-Practices-on-Disability-for-Coordinated-Entry-Systems-May-2018.pdf. (Natasha Reyes, Disability Rights California)</p>	
48	Section 114– Tenant Selection;	In addition to establishing tenant screening processes that are consistent with Housing First, rental agreements should be established in accordance with Housing First, trauma-informed care, and harm	Sections 113 and 215 of the guidelines address Housing First requirements.

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	<p>Section 115– Rental Agreements and Grievance Procedures;</p> <p>Section 217– Rental Agreements and Grievance Procedures</p>	<p>reduction principles. While adding a stipulation that tenants shall not be required to maintain sobriety or participate in services, additional protections may be required, as sobriety and service participation only encompass a portion of the barriers to housing that Housing First principles seek to address.</p> <p>In addition, LAHSA recommends that the guidelines specify that tenant selection policies and rental agreements shall be in compliance with the Americans with Disabilities Act (ADA) as well as the Violence Against Women Act (VAWA). (Alex Visotzky, Los Angeles Homeless Services Authority)</p>	<p>Language has been added to the guidelines to include trauma-informed care and harm reduction principles as a required element of the property management plan.</p> <p>Sections 119 and 221 of the guidelines address ADA and VAWA compliance requirements.</p>
49	Section 116(b)(1) & 218(c)(1) – Vulnerable Populations Best Practices	On Slide 116, the 3rd item sentence is not clear. Can you please clarify? Either a condition is missing or there is an “and” in the sentence that was not supposed to be included. (Felicia Brown-Smith, San Bernardino County)	We have revised the last sentence in this section to provide more clarity.
50	Section 116(b)(1) & 218(c)(1) – Vulnerable Populations Best Practices	<p>We recommend eliminating the requirement that at least 25% of a project’s units serve women with a history of domestic violence or sexual trauma, if the project is serving any woman with this history. Between 50-80% of women experiencing homelessness have also experienced either domestic violence or sexual assault. This policy could lead to unintended consequences, including excluding women who have experienced domestic violence or sexual assault, asking women about their assault history, violating HMIS rules around sharing survivor data, or referrals from domestic violence shelters, rather than coordinated entry systems, to meet this requirement. We instead recommend providing women who are survivors living in the project with a choice in apartments, and promoting equity in serving both men and women.</p> <p>The last sentence of this section seems to be missing a part of the sentence and we recommend adding the missing clause or removing the</p>	Both sections of the guidelines describe best practices for all developments as well as specific populations served. These practices are not required.

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		first “and”: “The project should have 24-hour security and, for projects serving persons impacted by Domestic Violence, transition age youth and other vulnerable populations.” (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)	We have revised the last sentence in this section to provide more clarity.
51	Section 117– Reporting Requirements	<p>To achieve high-quality, equitable care delivery within the HHC program, it is critical to identify health disparities among the population served and work to eliminate such disparities. However, this will be extremely hard to accomplish if we are unable to track the demographics of those receiving services. This would include information related to race, ethnicity, age and primary language. In not requiring this information, HCD would sacrifice its ability, and the ability of the public, to track and ensure that services are reaching the full spectrum of communities throughout California. For this reason we strongly recommend that HCD require, instead of suggest, the collection of demographic information by ALL applicants under Section 117(b).</p> <p>Summary of Recommendations:</p> <ul style="list-style-type: none"> • Section 117(b) should require all applicants to submit demographic information on the tenants receiving supportive services under HHC. <p>(Andie Martinez Patterson, California Primary Care Association)</p>	Pursuant to Section 53593 of the Health and Safety Code (AB 74, 2017), data reporting is a required component of the Program. HCD will be working with an evaluator to establish reporting variables and to analyze this data. Therefore, no changes were made to the data reporting components of the guidelines at this time.
52	Section 119; Section 221- Federal & State Overlays	<p>We commend the efforts to draft clear and comprehensive guidelines. We especially support provisions in both parts of the guidelines that ensure HHC projects meet minimum federal accessibility requirements for tenants with disabilities.</p> <p>We urge HCD to follow its own example set in the Veterans Housing and Homelessness Prevention (VHHP) and No Place Like Home (NPLH) programs and incorporate California Tax Credit Allocation Committee (CTCAC) accessible unit requirements into the HHC Guidelines. See the CTCAC program regulations (which serve as California’s Qualified</p>	We have also added language to the guidelines to address accessibility requirements, to align with VHHP.

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		<p>Allocation Plan, or QAP) available at: https://www.treasurer.ca.gov/ctcac/programreg/2018/20180516/clean.pdf.</p> <p>Of particular relevance are the scoring options on page 50 (Section 10325(c)(9)(B)); the minimum accessible unit requirements on page 61 (Section 10325(f)(7)(K)); and the waitlist priority obligations (page 89, Section 10337(b)(2)). Incorporating CTCAC accessibility requirements will provide consistency between the funding programs, making HHC applicants more likely to qualify for additional funding.</p> <p>According to 2014 Census data, over 2.1 million California households include an individual with an ambulatory disability, including more than 2 million with adults over the age of 18 in the household. Over 1.8 million California households include an individual with a visual or hearing disability. People with disabilities face unique disadvantages when seeking affordable, accessible community-based housing, not only due to cost, but because most housing does not include necessary accessibility features. Housing units without accessible features serve to exclude people with disabilities from housing just as effectively as a “no entry” sign. This is just as true for supported housing as it is for other housing programs.</p> <p>In recognition of the huge need for accessibility in California, the CTCAC regulations require compliance with general HUD accessibility regulations but adopt a requirement that at least 10% of all CTCAC subsidized multi-family housing units (both 9% and 4% tax credits) be accessible to people with mobility disabilities, and 4% be accessible to people with sensory disabilities. This doubles the minimum HUD standards. All projects can get additional points in scoring for greater accessibility. We urge HCD to continue the precedent set in the VHHP and NPLH regulations and incorporate the same provisions into the HHC program.</p>	<p>Sections 119 and 221 of the guidelines have been updated based on your recommendation.</p>
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		<p>We commend HCD for explicitly requiring compliance with 24 CFR Part 8 in Section 204 “Site and Neighborhood and Property Standard Requirements” of the Guidelines. We further commend HCD for explicitly requiring compliance with other federal statutes that require meaningful access to housing programs for people with disabilities. Section 119 and Section 221 list various statutes, and we recommend the following changes to more clearly identify these laws. Proposed additional language appears underlined in red.</p> <p>Section 119. Federal Overlays (a) Federal Overlays. Activities funded with HHC funds are required to comply with 24 CFR Part 93.350. Compliance with these requirements include, but are not limited to, environmental provisions, federal Davis-Bacon Wage requirements and state prevailing wage laws, relocation, Equal Opportunity and Fair Housing, Fair Housing Amendments Act, Affirmative Marketing, Section 504 of the Rehabilitation Act and its implementing regulations and the Americans with Disabilities Act and its implementing regulations, Section 3 (employment of low-income persons), Violence Against Women Act, and Single Audit report 2 CFR Part 200.512. Failure to comply with federal overlays could result in significant project cost increases, and rejection of the HHC application.</p> <p>Section 221. Federal and State Overlays (a) Federal Overlays. Activities funded with HHC funds are required to comply with 24 CFR Part 93.350. Compliance with these requirements include, but are not limited to, the National Environmental Policy Act (NEPA), federal Davis-Bacon Wage requirements and state prevailing wage laws, Relocation, Equal Opportunity and Fair Housing, Fair Housing Amendments Act, Affirmative Marketing, Section 504 of the Rehabilitation act and its implementing regulations and the Americans with Disabilities Act and its implementing regulations, Section 3 (employment of low-income persons), and Single Audit report 2 CFR Part 200.512. Failure to comply with federal overlays could result in</p>	
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		significant project cost increases, and rejection of the HHC application. (Natasha Reyes, Disability Rights California)	
53	UMR Supportive Services Costs Caps Section 8314(e) – Use of Operating Cash Flow	<p>Both HHC and NPLH programs correctly require intensive services for vulnerable populations. Unfortunately, the per-unit service cost caps in the UMRs are far too low for sponsors to provide high quality services.</p> <p>Recommendation: Revisit and increase the per-unit service cost caps. While these caps should ultimately also be revisited for the UMR's overall, they should at least be increased in the interim for HHC and NPLH-Assisted Units. (Richard Mandel & Sherin Bennett, California Housing Partnership Corporation)</p>	No changes were made to the guidelines at this time since HCD's Annual Action Plan establishes the maximum per unit development subsidy limits which are similar to the limits established by NPLH.
54	Reporting Requirements- Accessible Units & Occupancy	<p>To complement accessible development requirements, both recipients and counties should be required to fulfill reporting requirements related to accessible units and tenants. Specifically, recipients and counties should report the number of mobility accessible units; the number of communications accessible units; waiting lists and transfer lists for all accessible units; whether each of the mobility and communications accessible units are occupied by individuals who require the accessible features of the unit; affirmative marketing policies for accessible units; and in those instances where accessible units are not occupied by individuals requiring the accessible features, a description of steps taken to move individuals who do not need accessible features to non-accessible units. It is important to track this information for all units in a project, not just HHC units. This will help recipients and counties track compliance with federal standards for accessible units.</p> <p>Additionally, recipients should submit reports outlining procedures and policies to facilitate reasonable accommodations for applicants and tenants with disabilities. We recommend also requiring a description of procedures to market accessible units to the target population and procedures for prioritizing people with disabilities that require features in accessible units.</p>	Pursuant to Section 53593 of the Health and Safety Code (AB 74, 2017), data reporting is a required component of the Program. HCD will be working with an evaluator to establish reporting variables and to analyze this data. Therefore, no changes were made to the data reporting components of the guidelines at this time.

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		The HHC Guidelines already take the critical step of requiring projects to include accessible units. These suggested reporting requirements would help ensure those units and appropriately prioritized for people who need their features. (Natasha Reyes, Disability Rights California)	
55	Article II	The proposed guidelines state that the funding will be available through a competitive grant process further outlined in the Notice of Funding Availability (NOFA) but fails to specify how the funds will be allocated among applicants. At a minimum we would suggest that like counties compete against each other similar to the designations under the NPLH program. (Jolena L. Voorhis, Urban Counties of California; Tracy Rhine, Rural County Representatives of California; Farrah McDaid-Ting, California State Association of Counties; Tom Renfree, County Behavioral Health Directors Association of California)	Language has been added to the guidelines to clarify that separate NOFAs will be released for each article of the program. The NOFA for Article II will remain competitive amongst all counties. However, HCD is open to revisiting this issue if more funds become available in the future.
56	Article II	After reading through the PowerPoint again, there needs to be clarity on whether the Section 200 Program is only for construction/acq-rehab and tenant-based rental assistance (Eligible Uses 203, page 40). If it does include rental assistance to private landlords, the PowerPoint provides very little summary or applicability of the regulations and uses. (Felicia Brown-Smith, San Bernardino County)	Section 203 of the guidelines details the eligible uses under Article II.
57	Section 201-Definitions	(r)The draft Guidelines refer at various points to the “Health Home Program” or the “Health Homes Program.” To clarify, the program is called the “Health Homes Program.” We recommend making this minor change to ensure consistency throughout. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)	Statute (AB 74, 2017) misspells the Health Homes Program. Per your recommendation, the Department will edit the guidelines to reflect the correct spelling.
58	Section 202-Minimum Requirements	Page 38 Minimum Requirements 202: Broaden Item #1 to include non-traditional sources that managed care plans can invest in addition to the programs listed on this slide. (Felicia Brown-Smith, San Bernardino County)	Language has been added to the guidelines to allow for a Managed Care Organization (MCO) to provide case management.
59	Section 202-Minimum Requirements	(a)(2) We recommend removing the second sentence of this paragraph: “The Applicant must have entered into such a partnership in the last three years for a minimum of one Supportive Housing project.” This section	a. Per your recommendation, language has been added to clarify partnership in both sections.

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		<p>within Assembly Bill 74 was intended to require a county applicant to work with a housing authority or city or county housing agency to administer the grant, so that staff with housing expertise would be overseeing the grant funds. It does not require any county to have worked in partnership with an affordable or supportive housing developer on a specific project, or for the county to have created or funded a project. This sentence is therefore confusing and seems unnecessary in this section. We recommend either leaving out this sentence, or adding, if applicable, the following: “The agency the applicant is partnering with, or the applying housing agency, must have either administered rental assistance or funded an affordable or supportive housing project within the past three years.”</p> <p>(b)(5) To clarify, counties do not administer the Health Homes Program. For this reason, we recommend removing reference to the Health Homes Program in this paragraph, and adding the following sentence at the end of the paragraph: “If the applicant intends to use the Health Homes Program to fund services, the resolution should include specific plans to work with one or more managed care health plans administering the Health Homes Program, or one or more community-based care management entity receiving funding under the Program, to coordinate services funded under the benefit.” (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)</p>	<p>b. HCD will research and will incorporate into drafting of the resolution, where applicable.</p>
60	Section 202-Minimum Requirements	<p>The current program guidelines do not allow the two cities that independently administer mental health services for residents of their jurisdictions under the Bronzan-McCorquodale Act to receive funding. The Berkeley and Tri-City Mental Health departments receive Mental Health Services Act funds, and play a role in serving the target population for supportive housing programs that is analogous to that played by California’s counties. As such, these two jurisdictions have been included among eligible applicants for other programs focused on supportive housing, such as No Place Like Home. We would request the following</p>	<p>In Article II of the guidelines, the definition of county is directly from statute (AB 74, 2017) and will remain as-is.</p> <p>For Article II of the guidelines, an eligible applicant is “a county, city and county, or a city collaborating with a county to secure services funding. The two examples of Berkeley and Tri-City Mental Health would not be an eligible</p>

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		<p>changes in Section 201, “Definitions”, which defines “counties” as eligible applicants for the Building Homes and Jobs Trust fund awards:</p> <p>Add the following definition:</p> <ul style="list-style-type: none"> • “County” or “Counties” includes, but is not limited to, a city and county, and a city receiving funds pursuant to Section 5701.5 of the Welfare and Institutions Code. Reference to County Board of Supervisors in these Guidelines shall also mean the governing body of a city receiving funds pursuant to Section 5701.5 of the Welfare and Institutions Code. <p>(Jolena L. Voorhis, Urban Counties of California; Tracy Rhine, Rural County Representatives of California; Farrah McDaid-Ting, California State Association of Counties; Tom Renfree, County Behavioral Health Directors Association of California)</p>	<p>applicant, unless they collaborate with a county to secure funding.</p>
61	Section 203-Eligible Uses	<p>Page 40, regarding the second Eligible Uses slide:</p> <ul style="list-style-type: none"> • COSR is for at least 15 years. The length of providing extremely low income units should be tied to COSR. Again, there is an assumption that these developments will have project based vouchers from the local housing authorities. Due to federal budget cuts this assumption is faulty and, in many cases, can only be achieved by terminating existing tenant-based tenants to convert to project-based. Also note, project-based vouchers are portable after a certain number of years which creates issues for the local housing authorities. <p>(Felicia Brown-Smith, San Bernardino County)</p>	<p>Thank you for your feedback. Please see the response to #34.</p>
62	Section 205-Occupancy and Income Requirements	<p>Page 41 regarding Occupancy and Income Requirements, if one is providing rental assistance, there is not a regulatory period. Or to rephrase, what is considered a “regulatory period” if the funded program is tenant based rental assistance? (Felicia Brown-Smith, San Bernardino County)</p>	<p>Under Article II, language has been added to the Section 203 of the guidelines to clarify if applicants are to use funds for capital, applicants must adhere to Sections 103(a)(1), 104, 105, 106 and 107 of Article I.</p>
63	Section 206-Rent Limits	<p>Page 42 regarding Rent Limits Section 206: The over-income section should be retooled. If the case managers are successful in helping to increase an extremely low-income tenant to become a stabilized low-</p>	<p>Section 206 of the guidelines explains the rent limits for an Assisted Unit, including what happens when a tenant is over-income at the</p>

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		income tenant, the program should be deemed a success. Per the guidelines, if the person moves out and transitions into a market apartment, then the unit should be targeted to another extremely low income target client. This section has no applicability nor provides guidance to the “long-term rental assistance to private landlords.” What happens if the case manager and health care worker are successful with stabilization and the client transitions into a low-income client? Their income will not be enough to sustain apartment rent without some form of shared housing arrangement. Please provide guidance. (Felicia Brown-Smith, San Bernardino County)	time of re-certification. Therefore, no changes were made to this section of the guidelines.
64	Section 207-Capitalized Operating Subsidy Reserves (COSR)	<p>Page 43 regarding COSR Section 207: Without project-based vouchers and COSR, the financial viability of the affordable housing developments with 55-year regulatory agreement to provide PSH is unviable without significant amount of additional public subsidy. Very few communities will have the resources to underwrite and lend these large sums of funds. Is there the possibility that once COSR period has expired The PSH requirement terminates and the apartment can transition to a low income unit?</p> <p>Page 45 regarding COSR: Why would you allow supportive services cost from this resource? Supportive Services costs should come from the managed care plans (health homes program) or the county’s MHSA resources. Also, the limited number of eligible COSR items is disconcerting. If project-based vouchers exist, then these limits may make sense. If not, the cost of the project and the cost to make debt service contributions is an important eligible consideration. (Felicia Brown-Smith, San Bernardino County)</p>	<p>Affordable housing developments must follow the requirements listed in the regulatory agreement. However, please see response to #34 for additional state resources to support the financial viability of affordable housing developments.</p> <p>Section 210 of the guidelines references 25 CCR Section 8314, which provides eligible uses for operating expenses for multiple programs administered by HCD.</p>
65	Section 207-Capitalized Operating Subsidy Reserves (COSR)	The Guidelines state that an applicant can use HHC funding for costs related to a COSR. However, during the webinar conducted by HCD it was noted that HHC funds cannot be used for another state funded project. As you may be aware, the California Housing Finance Agency is considering winding down the Special Needs Housing Program and they have also expressed interest in having counties be responsible for the	To clarify, the webinar was referring to stacking multiple HCD funding sources on a single Assisted Unit, which is prohibited in Article I only.

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		<p>COSR under that program. We would request that the guidelines specifically address the ability of counties to use HHC funds for a COSR that was funded through another state project. (Jolena L. Voorhis, Urban Counties of California; Tracy Rhine, Rural County Representatives of California; Farrah McDaid-Ting, California State Association of Counties; Tom Renfree, County Behavioral Health Directors Association of California)</p>	<p>Pursuant to 53594 of the Health and Safety Code (AB 74, 2017), COSR may only be used when the Applicant is receiving capital funding to provide supportive housing to people experiencing homelessness. However, an Applicant may use rental subsidies under Article II to help supplement or extend the life of an existing housing program.</p> <p>Statute/Guidelines do not preclude use of HHC funds on other supportive housing opportunities using capital and operating assistance, as long as the use of the funds is consistent with the requirements of Part 14.2 of Division 31 of the Health and Safety Code, as well as all other state, federal laws and regulations.</p>
66	Section 208- Maximum Award Limits	<p>Page 45 regarding the Max Award Limit Section 208: Have you thought about funding capitalized rental subsidy reserve if project-based vouchers are not available for the PSH units? Otherwise, the State's goal of seeing units being incorporated throughout the State will not be achieved. It would be fiscally unviable. (Felicia Brown-Smith, San Bernardino County)</p>	<p>Applicants may apply for COSR to cover anticipated operating deficits and assist in the financial feasibility of their project.</p>
67	Section 209- Fee Limits	<p>LAHSA supports the administrative cap being set at 10%. This allows for more robust oversight, monitoring, and effective implementation of programs and more effective use of funding. LAHSA recommends that the State align other homelessness programs with this 10% administrative cap. (Alex Visotzky, Los Angeles Homeless Services Authority)</p>	<p>The administrative cap will be established in the NOFA up to 10% of the grant. Pursuant to 53594 of the Health and Safety Code (AB 74, 2017), HCD must allow at least 5% of the total grant awarded for a county's administrative costs.</p>
68	Section 209- Fee Limits	<p>Regarding the Fee Limits Section 209: We need the ability to charge an annual monitoring/asset management fee. (Felicia Brown-Smith, San Bernardino County)</p>	<p>Language has been added to the Section 203 of the guidelines to clarify if applicants are to use funds for capital, applicants must adhere to Sections 103(a)(1), 104, 105, 106 and 107 of Article I.</p>

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69	Section 211- County Application Plan	(c) & (d) Consistent with Assembly Bill 74, We recommend allowing applicants to discuss future plans to address homelessness (including to reduce criminalization), if the county has not dedicated past resources. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)	No changes were made to the guidelines because Section 213(a) gives applicants an opportunity to discuss future plans (within the next 12 months) to address homelessness and gain points for that criteria.
70	Section 211— County Application plan; Section 213— Application Selection Criteria (Proposed Uses and Process for Using Funds)	CHCs play a critical role in the continuum of care for the patients who will be served under HHC. On top of providing a primary care medical home and access to oral health care, CHCs play a critical role in providing mental health services, including both mild-to-moderate mental health services, substance use disorder services, as well as specialty mental health care. CHCs play such an important role in providing services to the target population that we feel CHCs will be an enormous asset to the county as they look for available community-based resources and identify partners that work with the homeless population. However, counties are not always willing to work with community based organizations (CBOs) and CHCs to address the needs of their communities. To address this issue, we recommend that HCD require counties to report on their partnerships with CBOs and non-profits, like CHCs, under Section 211 (d). Also, to ensure the goal of the HHC program is met, we recommend that under Section 213(b)(3)(b) HCD require applicants to provide a description of their partnerships with healthcare providers, such as CHCs. Summary of Recommendations: <ul style="list-style-type: none"> • Section 211(d) should require counties to report on their partnerships with CBOs and non-profits, like CHCs. • Section 213(b)(3)(b) should include the description of Applicant's partnerships with healthcare providers who provide dental, mental health, primary care and substance abuse services, such as CHCs. (Andie Martinez Patterson, California Primary Care Association)	Per your recommendation, we have incorporated partnerships with CBOs and non-profits into the County Application Plan. Per your recommendation, we have incorporated healthcare providers into the application selection criteria.
71	Section 213- Application	Page 49 regarding Application Criteria Section 213: Why not include bonus points for those Counties who can demonstrate success in recent	Section 213(a)(2) of the guidelines provides points to Applicants who have been successful

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	Selection Criteria	efforts to address homelessness? This can be documented via VVBA PITC, HMIS, Veteran's Efforts, etc. (Felicia Brown-Smith, San Bernardino County)	in recent efforts to address homelessness. Therefore, bonus points are not provided for this purpose.
72	Section 213-Application Selection Criteria	<p>Overall, we agree with the criteria for scoring applications with three strong exceptions:</p> <ul style="list-style-type: none"> • We recommend providing greater weight to the applicant's description of how they would like to spend the funds. Giving 3% overall weight to how the applicant has thought through and designed their program will not allow the most innovative, thoughtful approaches to score well overall. • We recommend eliminating incentive points for housing projects using 4% credits. Many applicants may choose to use these grant funds for rental assistance to private market landlords, which would exclude them from receiving these incentive points, even though a driver of Assembly Bill 74 was to fund rental assistance. Additionally, even if funding capital, supportive housing rarely accesses 4% credits unless a local government has passed a bond to build housing. Many times, local initiatives have not been the work of counties, but cities, so the applicant's ability to coordinate 4% funding may be unrelated to any specific efforts the applicant has made to advance supportive housing. This provision would favor the few large jurisdictions that have passed a bond over smaller jurisdictions that have no resources to allow developers to access 4% tax credits. • We recommend adding points for services quality. Because no threshold criteria include a review of services plans, and no points score services quality, HCD will have no ability to determine whether an applicant intends to offer quality services. As a result, a large measure of what will make this program successful is missing from the rating factors. CSH is happy to provide quality standards that HCD could score, if helpful. <p>We also recommend adjusting points according to the following:</p>	<p>Per your recommendation, we have revised the guidelines to increase the points allocated to project description from 5 points to 10 points maximum.</p> <p>Per your recommendation, we have eliminated incentive points for 4% credits.</p> <p>We addressed service quality by revising the guidelines to require a staff-client ratio of 1:20.</p>

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	<ul style="list-style-type: none"> • Eliminate any incentive points for using 4% tax credits; • Reduce the need section to a total of 10 points, to reduce the advantage to urban or large counties; • Increase the points available for the project description to 10; and • Add points to score the quality of services the applicant intends to offer. <p>(a)(1) We further recommend identifying need according to the Point-in-Time count, as well as rent burden on people with extremely low incomes. Rent burden is not likely relevant to a community's need to address homelessness except within the ELI category. Similarly, we recommend clarifying (1)b to measure rent burden on people with extremely low incomes.</p> <p>(2) We also recommend eliminating or tempering the need for the applicant to have developed a plan. While we agree that counties that have developed plans should receive higher scores, we recommend eliminating the requirement for a plan in subparagraphs (b) and (c). Most counties do not have plans and would not be able to implement thoughtful plans before HCD releases the NOFA for these funds. For this reason, we recommend eliminating the requirements for a plan from these two subparagraphs.</p> <p>(b)(1) We recommend modifying any provision that indicates the grant funds should be used for capital funding for specific projects. The Legislative intent in providing \$57 million to HHC in FY 2018-19 was to fund rental assistance to private-market landlords primarily to help people exit homelessness as quickly as possible. This specific paragraph relates only to funds used to develop projects. We therefore recommend modifying this provision to the following:</p> <p style="padding-left: 40px;">Project Description. Applicant's description of the specific uses of the grant funds, if known at time of application. For each specific planned use of the grant funds, the Applicant must respond to all required items to receive full points (5 points maximum):</p>	<p>Per your recommendation, we have revised the need category to reflect a rent burden with the ELI population only.</p> <p>HCD believes it reasonable for most counties to have developed a plan to address the needs of people experiencing homelessness. It is a requirement of NPLH.</p> <p>Section 213(b)(1) of the guidelines was modified to remove "if known at the time of application." However, as statute (AB 74, 2017) is currently written, HCD must include the possibility of grant funds being used for capital funding. Therefore, no other changes were made to this section.</p>
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		<p>a. Project(s)' location and target date(s) for completion (new construction or rehabilitation) <i>The goals the use of the funds the applicant hopes to advance, and</i></p> <p>b. Project(s)' total number of units and The total number of households who will receive permanent housing and/or rental subsidies under the Program</p> <p>(Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)</p>	
73	Section 213(a) – Application Selection Criteria (Need)	<p>LAHSA recommends adjusting the points available for estimated need. At present, a jurisdiction receives 10 points if more than 400 individuals are homeless in the applicant's jurisdiction. There are numerous jurisdictions in California that have many more than 400 people experiencing homelessness in their jurisdiction, and they should be given different weights according to their need; a jurisdiction with 20,000 people experiencing homelessness should not be scored the same as a jurisdiction with 450 people experiencing homelessness. LAHSA recommends ascending point values for jurisdictions with more than 400 people experiencing homelessness, 400-999 people, 1,000-4,999 people, 5,000-9,999 people, and 10,000 people or greater. (Alex Visotzky, Los Angeles Homeless Services Authority)</p>	Since this is a pilot program, HCD is open to revisiting this issue if more funds become available in the future. No adjustments were made at this time.
74	Section 213(a) – Application Selection Criteria (Need)	<p>In the draft guidelines, points are awarded competitively based on need. In order to achieve maximum points, a jurisdiction must have a Point in Time homeless count of at least 500 individuals or over 50% of the population must be paying more than 50% of their income for housing. Most rural jurisdictions, including Tuolumne County, would be disadvantaged by this type of scoring. We would not qualify under either scoring category. (Sheila Shanahan, Tuolumne County)</p>	<p>Pursuant to Section 53591 of the Health and Safety Code (AB 74, 2017), HCD is required to consider need within the rating and ranking criteria.</p> <p>To clarify, the guidelines state at PIT of 400 Homeless individuals, not 500, to achieve the maximum 10 points for Section 213(a)(1).</p>
75	Section 213(c) – Application Selection	<p>On Page 51 regarding Application Selection Criteria: The criteria listed is not a good descriptor of experience. There has been little money available for affordable housing development, let alone PSH development. Smaller communities and counties are lucky to scrape</p>	Thank you for your feedback. No changes were made to the guidelines.

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	Criteria (Experience)	<p>enough funds necessary to soft lend on a project every few years. I think experience should be a combination of things, not one category or another. Further the time horizon considered should be elongated, particularly if it takes 24-36 months to go from land acquisition to lease-up (in the best-case scenario). Other criteria examples to consider:</p> <ul style="list-style-type: none"> • Number of affordable housing projects and/or units developed. • Whether the county utilized their MHSA housing monies via the CALHFA program and the results. • Number of projects sponsored (funded) by the County that were submitted into the 9% and 4% LIHTC competitions. • How many projects successfully secured a 9% allocation? • What does the Applicant's scattered site housing (tenant-based rental assistance) look like and how many folks, through a combination of these efforts, had their homelessness addressed? <p>Time horizon should be 7-10 years; remember the LIHTC 9% is very difficult to secure.</p> <p>Regarding the Experience Criteria outlined on Page #51, how are you defining "administered" and "administrative entity"? Counties are funders, lenders, contractors. Their housing authorities may be administering rental assistant programs but the housing authorities are separate legal entities from counties. Please think through and better define the terminology used here. (Felicia Brown-Smith, San Bernardino County)</p>	<p>Regarding an "administrative entity", HHC allows counties to collaborate with an administering agency such as a housing authority to demonstrate collective experience.</p>
76	Section 213(d) – Application Selection Criteria (Funding Sources)	<p>Page 53 regarding Funding Sources: Again, the criteria will favor larger entities that have more funds and a larger allocation of Housing Choice vouchers or VASH vouchers. The 20 points for "description of the plan" is one of the largest weaknesses of the proposed program. Where are these funds in the magnitude needed to underwrite 55-year PSH units to be found? (Felicia Brown-Smith, San Bernardino County)</p> <p>If a County applies for development funds under this program and utilizes a portion for long-term rental assistance, the application is scored based</p>	<p>Thank you for your feedback. Article I of the guidelines has a rural set-aside of 20%.</p> <p>HHC is a pilot program. Should future funding allocations become available for this Program, HCD can revisit this issue.</p>

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		<p>on the number of rental subsidies administered by the applicant. Full points are given to jurisdictions with 500 or more rental assistance clients. Points are also awarded if those clients are in permanent supportive housing. Even if we partnered with the Stanislaus County Housing Authority (the housing authority of our County), we would not be able to compete well based on this criteria. There are approximately 180 Housing Choice Vouchers for our entire County. Only 10 of these are VASH Vouchers, which might qualify as permanent supportive housing.</p> <p>We encourage HCD to consider the following:</p> <ol style="list-style-type: none"> 1. Establish a rural set-aside, 2. Adjust competitive scoring for rural areas so that criteria is based on benchmarks that are achievable in rural areas, and 3. Work with rural advocates such as the California Coalition for Rural Housing to revise guidelines to address rural concerns. <p>(Sheila Shanahan, Tuolumne County)</p>	
77	Section 213(e) – Application Selection Criteria (Incentive Points)	<p>Page 53 regarding Incentive Points: Expand to include managed care plans and partnerships. (Felicia Brown-Smith, San Bernardino County)</p>	<p>The purpose of the incentive points is to encourage Applicants to leverage other funds within the county for supportive services. No changes were made to the guidelines.</p>
78	Section 214- Supportive Services	<p>(a) We recommend adding “to provide” between “subcontract” and “Supportive.” Otherwise, the subsection indicates the applicant could subcontract participants to provide supportive services.</p> <p>(c) We recommend requiring applicants to fund services sufficiently to allow for a maximum service provider-to-client ratio of 1:20, consistent with evidence-based services models. (Sharon Rapport, Corporation for Supportive Housing; Linda Nguy, Western Center on Law & Poverty; Chris Martin, Housing California)</p>	<p>Per your recommendation, language has been added to the guidelines to clarify this section.</p> <p>We have revised the guidelines to require a staff ratio of 1:20 in the Supportive Services plan, which aligns with VHHP.</p>

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79	Section 214- Supportive Services	<p>Page 54 regarding Supportive Services Section 214: The first bullet assumes the County will be provided supportive services. Which means the State assumes Supportive Services will be funded with MHSA. This needs to be expanded to allow and encourage partnerships, not just with County MHSA but with managed care plans; particularly based on the target population (high-health cost users).</p> <p>Page 55 regarding Supportive Services Section 214: There needs to be training in the field between the developers, property managers and supportive service providers. (Felicia Brown-Smith, San Bernardino County)</p>	<p>Section 202 of the guidelines explains the county's requirement to have an identified source of funding for intensive services including, <u>but not limited to</u>: MHSA program funds and other county-controlled funding.</p> <p>Language has been added to the guidelines to allow for a Managed Care Organization (MCO).</p> <p>Thank you for your feedback on potential training. Section 214(d)(7) requires applicants to provide general service provider and property manager communication protocols in their supportive services plan. Therefore, no changes were made to the guidelines.</p>
80	Section 217- Rental Agreements and Grievance Procedures	<p>Page 57 regarding Rental Agreements Section 217: This slide makes sense in context to a project-based PSH. But these funds can also be used for scattered site rental assistance. How does this slide apply in a tenant-based context in market rate units? (Felicia Brown-Smith, San Bernardino County)</p>	<p>All HHC projects (including subsidy-only units) shall follow Section 217 of the guidelines.</p>
81	Section 219- Reporting Requirements	<p>On Slide #117 Reporting Requirements</p> <ul style="list-style-type: none"> • Independent audit requirements require 6 months from the completion of the fiscal year • What do you mean by client data? Certain client data is protected information <p>(Felicia Brown-Smith, San Bernardino County)</p> <p>Page 58 regarding Reporting: Same comment as above on annual audit. The second bullet is very broad. Same comments from apply to this slide as provided in previous section. (Felicia Brown-Smith, San Bernardino County)</p>	<p>The audit requirement is aligned with similar supportive housing programs administered by HCD.</p> <p>Pursuant to Section 53593 of the Health and Safety Code (AB 74, 2017), data reporting is a required component of the Program. HCD will be working with an evaluator to establish reporting variables and to analyze this data.</p>